**Proposal for Participation of Aggregations in the NYISO's Demand Side Ancillary Service Program (DSASP).**

**Comments of Demand Response Partners, Inc. and SmartCloud, Inc.**

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The presentations given at the April 26th and the May 15th PRLWG meetings included a proposed rule to allow a maximum of two aggregations per DSASP Provider per load zone: one aggregation for operating reserves and regulation, and the second aggregation for non-synchronous reserves. Each aggregation would have an associated PTID. Given the outlay entailed by each PTID on the part of both the NYISO and the individual DSASP Providers, it makes sense to limit the total number of PTIDs. However, we do have concerns regarding the proposed rule as it currently stands which in effect is an attempt to group two products - sync reserves and regulation - into a single PTID that disallows their differentiation.

The effects of this limitation become especially significant when considering the design of a DSASP Provider's dispatch system. The NYISO will send out a single dispatch command per PTID to the DSASP Provider's server (via ICCP link). In turn, the DSASP Provider's server will transmit this message to a dispatch system that interfaces with each individual location. Based on the principle of reliability through aggregation, each individual location may receive *something different than* an exact replica of the NYISO's dispatch message. Indeed, it is likely that many DSASP Providers are considering methods of feedback monitoring that will produce more modulated dispatch messages. This tailored dispatch could vary by the individual location and the type of dispatch (reserves vs. regulation), for example. The goal of managed dispatch of an aggregation is to ensure that the NYISO receives reliable ancillary service performance as measured by the whole of the AggID performance throughout the course of the dispatch.

A DSASP Provider's ability to provide reliable performance for each AggID/PTID would be severely hampered by a rule requiring that sync reserves and regulation locations be grouped together indistinguishably. The types of technologies used at the individual locations can be expected to differ for sync reserves as compared to regulation. Individual locations capable of performing sync reserves can be managed and selectively dispatched to help offset other locations within the sync reserves aggregation. However, how a DSASP Provider manages a "reserves enabled" location may differ from their management of a "regulation enabled" location. Since the reliability objective for a NYISO sync reserves resource is to provide load reduction within minutes in order to meet a targeted MW level, the DSASP Provider's dispatch system could manage the aggregation on a minute-to-minute timescale in order to achieve this goal.

In contrast, the reliability of a regulation aggregation is about attaining - in the aggregate - the performance targets of a NYISO signal that moves up or down in seconds. Designing a DSASP Provider dispatch system to reliably meet this regulation signal is very different from a reserve target. A DSASP Provider could effectively employ more advanced techniques, both in hardware and software, in order to optimally dispatch a regulation AggID on a second-to-second timescale. However, many of these technologies do not work effectively unless *each individual location* within the AggID is able to respond within seconds and interface

with the specific regulation-enabling hardware. If the market rules were to restrict the DSASP Provider to group the sync reserves and regulation together, then performance relative to the NYISO dispatch instructions would be constrained by the lowest common denominator within the AggID/PTID.

In conclusion, our experience to date with DSASP Provider dispatch system design strongly suggests that a DSASP Provider's ability to provide meaningful service to the NYISO will require three aggregations per zone: one "sync reserves enabled" AggID/PTID, a separate "regulation enabled" AggID/PTID, and finally the non-synch reserves aggregation. Accordingly, we recommend and respectfully request that the NYISO allow three aggregations per zone per DSASP Provider.